

From: [Blend, Jeff](#)
To: [Tina Laidlaw/MO/R8/USEPA/US@EPA](#)
Cc: [Mathieus, George](#); [Suplee, Mike](#)
Subject: RE: Private firm demonstration: Parent level firm versus plant level firm
Date: 10/03/2011 10:25 AM

Yes, plant-level data issues will be a topic of discussion at the November 2nd meeting. The advantage to companies of using the plant data is that it may help the results to demonstrate a significant and widespread impact. If companies are not willing to hand over the data, then either plant level data is estimated, parent company data is used (which may not be very accurate), or we find a way to demonstrate S&W impact without using confidential data (how we would do that is beyond me at the moment).

My feeling is that the companies need to help us on this at the Nov 2nd meeting and afterwards. If they are not willing to help, and come to the meeting with cynical sarcasm, then that probably only hurts them in the long run. Some of the industry participants seem willing to help.

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-----Original Message-----

From: Laidlaw.Tina@epamail.epa.gov [mailto:Laidlaw.Tina@epamail.epa.gov]
Sent: Monday, October 03, 2011 10:18 AM
To: Blend, Jeff
Cc: Mathieus, George; Suplee, Mike
Subject: Re: Private firm demonstration: Parent level firm versus plant level firm

please keep in mind that much of the problem with using subsidiary data has always related to industry's reluctance to disclose confidential business information.

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From: "Blend, Jeff" <jblend@mt.gov>
To: Tina Laidlaw/MO/R8/USEPA/US@EPA, "Suplee, Mike" <msuplee@mt.gov>, "Mathieus, George" <gemathieus@mt.gov>
Date: 10/03/2011 09:53 AM
Subject: Private firm demonstration: Parent level firm versus plant level firm

Tina:

FYI. The 1995 EPA Guidance, while suggesting that we look at parent firms, says to actually use plant (discharger) level data if available when running the private level tests. If not, it talks about estimating plant level revenue from parent company revenues. See below, from the guidance.

<http://water.epa.gov/scitech/swguidance/standards/economics/chaptr3.cfm>
"Since it is the discharger that will have to pay for the wastewater treatment, the financial tests presented in this Workbook use data about the discharger's operations. If the information is not available at the discharger level, it can be estimated from the balance sheets or income statements of the firm that owns or controls the discharger. Estimates can be made in a variety of ways. One commonly used approach is to compare the discharger's sales or revenues to the firm's sales or revenues and apply this ratio to other financial factors. For example, if the discharger is responsible for 20 percent of its firm's revenues, then it is assigned 20 percent of the firm's current assets and current liabilities. In some cases, particularly with manufacturing facilities, the discharger may not sell its production directly, but may ship it to another facility owned by the same firm. In this case, the discharger's share of sales should be calculated by determining the market value of the goods produced by the discharger, using market prices for the year being analyzed."

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